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OGC HAS REVIEWED.

11 January 1949

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Memorandum of Conversation between [REDACTED]  
[REDACTED]

Subject: Insurance Coverage for Covert Personnel

1. Numerous phases of this problem were discussed including security aspects, payment of premiums, likelihood of commercial insurance policies being contested by fraudulent statements being made in the applications for insurance, CIA being in the insurance business without actuarial experience tables available, etc.

2. It was the consensus of the discussion that:

- a. No assurance should be given to covert personnel by CIA which would be in effect insurance coverage, unless every possible use of normal commercial insurance facilities, as well as official U. S. government insurance facilities, be exhausted.
- b. Under normal circumstances covert personnel should pay for their insurance coverage in the same way that overt personnel do. If insurance coverage is given to covert personnel by CIA it amounts to a bonus or increase of remuneration. It would appear that such a promise normally goes far beyond that which this government might owe to such an individual.

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- c. If all reasonable effort to obtain insurance for covert personnel referred to in (a.) above has been exhausted without success, it would be appropriate to refer the question of "insurance coverage", or guaranty of monetary benefits in event of death, to the ADSO for determination.
- d. If a person under deep cover finds that the premium for commercial insurance coverage is excessive by reason of unsettled conditions in an area to which he proposes to go, the question of additional remuneration to enable him to carry adequate insurance should be referred to the ADSO for determination.

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3. The term "covert personnel" as used in these conversations was deemed to include all categories of personnel who are not staff employees as defined in [REDACTED] Career Agents would, therefore, be included in the above principles. At present authorization exists to procure insurance for Career Agents at government expense through the War Agencies Protective Association. A further authorization exists to handle such insurance completely from organization funds where CIA determines that the security risk is such that the case should not be processed through the normal channels. Advantage will not necessarily be taken of these authorizations. This problem will be handled as specified in Paragraph 2 (c.) above.

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4. [REDACTED] was asked to bring to the attention of those concerned the principles indicated above, where new contracts as well as renewals of contracts were presented to him for approval as to legal form. Where proposals are insisted upon which include the

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providing of insurance by the government, the matter would be referred to COPS or to the appropriate authority for determination before the contract was approved.

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